

APPENDIX G: The Human Services Environment

Four important environmental factors influence the demand for City investments in human services. The following factors shape the way we do business and the services we provide.

DEMOGRAPHICS

With a population of 568,100, the City of Seattle is a vital, diverse community and the 24th largest city in the United States.ⁱ During the 1990s, Seattle grew by only nine percent. However, it has become more diverse. This diversity is manifested in three ways. First with respect to racial/ethnic diversity, people of color now represent about 30% of the population contrasted with 25% in 1990. Asian / Pacific Islanders compose the largest racial group at 13.6% of the population, followed by African Americans at 8.4%. Between 1990 and 2000, racial demographics also shifted between many neighborhoods across the city. The percent of people of color decreased in the Central Area and increased at the southernmost and northernmost parts of the city.

Seattle, along with its neighboring cities, also has become the new home of many refugees and immigrants. Between 1996 and 2000, 24,650 refugees resettled in the state. Approximately, 41% of these arrivals settled in King County.ⁱⁱ According to the 2000 US Census one of six Seattle residents (94,683 individuals) is a refugee or immigrant. Further, in Seattle, the percent of the population over five years of age speaking a language at home other than English is now 20.2%.

Finally, Seattle is a diverse community with respect to age. Nineteen percent of our population is younger than 20 years old. Another 19% is older than 55 years. Adults between 20 -34 years of age and adults between the ages of 35-54 years are equally represented at 31% of the population.

POVERTY IN SEATTLE

Research on new measures for economic well being– basic family budgets and the self-sufficiency standardⁱⁱⁱ – indicates that families and individuals may need an annual income of at least twice the federal poverty level to cover basic needs such as food, housing, health care, child care. For the City of Seattle, the rate could actually exceed 250% of the poverty level, particularly for families with infants and preschoolers requiring child care.^{iv} In 1999, 135,911 individuals (23.9% of the population) in Seattle had incomes at or below 200% of poverty.

Regionally Seattle remains the home for a significant percentage of the County's poorest residents.¹ According to the 2000 U.S. Census, Seattle has the fourth highest poverty rate in the County (as measured by the Federal poverty level) at 11.8%, exceeded by White Center at 14.7%, Auburn at 12.8% and Tukwila at 12.7%. At this poverty level, Seattle is home to 54% of the county's poorest individuals and 41% of the poorest families in the county. In addition, Seattle is home to over 58% of the county's seniors living at or below the Federal poverty level.

Washington State's 15-month recession, which occurred from December 2000 to March 2002, has pushed many individuals and families closer to, if not into, poverty. During this period, the state's economy lost 86,900 jobs, including the 30,000 Boeing layoffs. Economic recovery is slow with only 20,000 jobs added since March 2002. The 7% unemployment rate in the State remains among the highest in the nation, second only to Oregon. Recent reports indicate that it could take an individual at least six months to find a new job. Analysts do not expect full recovery until 2004, perhaps 2005.^v

RACIAL DISPARITIES

The Department is intentional about understanding and addressing the root causes of racial inequity. Racial inequity is apparent in many systems (e.g., healthcare, housing, employment, education, criminal justice). The following sampling of statistics provide a glimpse of the magnitude of the challenge that we face in addressing human needs that result from such inequities.

- In Seattle, 23% of African American, 29% of Native American, 16.5% of Asian/Pacific Islander, and 21.6% of Latino residents are living below the Federal poverty level, while only 8.5% of Whites are living below the Federal poverty level.
- In the Seattle School District, 23% of Native American students, 18% of African American students, and 16% of Latino students drop out while only 10% of White students drop out.
- People of color, especially African Americans, Native Americans and Latinos are over represented among sheltered homeless population in Seattle. Native Americans make up just over 1% of the population and 6% of the people in shelters. Latinos constitute 5.4% of the population and 8% of the people in shelters. African Americans are the most over-represented group, making up 8.4% of Seattle's population but 30% of people in shelters.
- While only 5.4% of the population of King County is African American, 35% of the county's prison population is African American.

¹Defined as at or below 100% of the federal poverty level. For more detail see reference table attached.

OTHER PUBLIC FUNDING FOR HUMAN SERVICES

The state and federal governments are major partners in the funding of human services. State and federal government have a primary funding responsibility for housing, community development, health care, mental health, Welfare (TANF), child care, food and nutrition, employment and training, child protection and aging and disability services. In fiscal year 2002 federal and state funding in King County was \$940 million and \$885 million, respectively.^{vi} Seattle residents and human service providers also access state and federal services directly.

Though the state and federal governments continue to be major partners, it appears that they may be stepping away from their historical commitment to supporting a safety net for all citizens. At each level, proposals under consideration for 2004 and beyond will reduce funds available for Seattle residents and the City's ability to provide services, should they be adopted.

Federal Government

The House and Senate recently approved a final budget resolution that calls for \$1.3 trillion in tax cuts through 2013. These cuts, as well as spending increases for defense, a prescription drug benefit, and interest payments on the debt, add \$2.4 trillion to the deficit and national debt between now and 2013. With the exception of health care programs, funding levels for domestic discretionary programs are set below the 2003 baseline and over 10 years will represent a reduction of \$168 billion.^{vii}

Tax cuts and spending reductions at this time are unresponsive to growing human need. Social services discretionary programs that could be adversely impacted by the current budget strategy are Child Care Development Block Grant TANF, the Community Development Block Grant, some emergency food assistance programs, senior nutrition programs, and violence against women programs.

State of Washington

In recent years, the State has faced significant budget short falls. Even with no new programs and services, the State's budget would increase based on caseload growth, cost-of-living increases, increased medical costs, and higher enrollments. In addition to the revenue losses associated with a declining economy, the State's capacity to develop a budget that adequately addresses human needs has been impaired by a number of voter-approved initiatives that reduce revenue or require specialized spending.

Poor working families are among those who are most adversely affected by the State's budget woes. Two recent examples of changes in state programs that adversely affect poor working families occurred in Medicaid and Temporary Assistance for Needy Families (TANF).

As a result of 2003 legislative action, the state will now require families who are eligible for Medicaid, that is families with incomes between 100 and 200% of the federal poverty level, to pay premiums. It will also increase eligibility verification. An estimated 6,783 children will lose or drop out of Medicaid in King County due to these changes.^{viii}

During the last 18 months, the Governor has cut or allowed spending reductions in the welfare budget totaling \$89 million.^{ix} One specific change involved reducing eligibility for the state's child care subsidy program, Working Connections, to 200 percent of the Federal poverty level, down from 225 percent. As of May 2003, 200 families have lost access to the state service and have turned to the City of Seattle's care subsidy program for assistance.

King County

King County is another major partner, funding regional services, (e.g., homelessness services, mental health, alcohol and substance abuse services and domestic violence and sexual assault service.) In 2002, its Health and Human Services budget was \$424 million or 14 percent of its budget. About \$33 million of this amount comes from the county's general fund. The county has significant budget difficulties; discretionary human services are being squeezed due to two factors – decreasing revenue (property and sales taxes) due to I-747, incorporations and annexations, and the recession, as well as rising criminal justice costs.

Conclusion to Public Funding

In the final analysis, any significant reduction in human services funding at the federal, state or county level, including the failure to adjust for inflation, is a matter of concern for Seattle. Residents will lose access to county, state and federally funded services. Human service providers lose access to revenue to cover the cost of services. Seattle will experience pressure to backfill. It is imperative that Seattle works with its partners to influence other levels of government to maintain their commitments and responsibilities for human services funding.

ⁱ US Census 2000

ⁱⁱ King County Refugee Planning Committee, 2001

ⁱⁱⁱ Boushey, Heather, et. al., *Hardships in America: The Real Story of Working Families*, Economic Policy Institute, 2001 and Pearce, Diana, *The Self-Sufficiency Standard for Washington State*, Washington Association of Churches, 2001.

^{iv} Pearce, Diana, *The Self-Sufficiency Standard for Washington State*, Washington Association of Churches, 2001.

^v Washington Research Council, Policy Brief: *Revenue Forecast Reduced*, March 3, 2003.

^{vi} *Public Funding for Health and Human Services in King County*, Washington Research Council, 2002

^{vii} Friedman, Joel, Overview of Final Budget Resolution Agreement, Center on Budget and Policy Priorities, April 17, 2003

^{viii} Number of Children Expected to Lose Medicaid by County, a report by the Children's Alliance, July 2003.

^{ix} Washington's Welfare Budget: How recent cuts affect low income working families, a report by the Children's Alliance, June 2003

2004 Federal Poverty Levels

Size of Family Unit	100%	175%	250%
1	\$9,310*	\$16,293	\$23,275
2	12,490	\$21,858	\$31,225
3	15,670	\$27,423	\$39,175
4	18,850	\$32,988	\$47,125
5	22,030	\$38,553	\$55,075
6	25,210	\$44,118	\$63,025
7	28,390	\$49,683	\$70,975
8	31,570	\$55,248	\$78,925

data derived from U.S. Department of Health and Human Services 2004 Federal Poverty Guidelines, <http://aspe.hhs.gov/poverty/04poverty.shtml>

*annual income